



The Rt Hon Sajid Javid MP
Secretary of State for Communities and Local Government
2 Marsham Street
London
SW1P 4DF

Sent by email

20 September 2017

Dear Secretary of State,

Birmingham City Council's Improvement Progress

Thank you for your letter of 11 September. You asked for an update on the position in relation to the City Council.

I regret to report that there has recently been a serious setback to the progress we reported to you on 4th August. The Council is handling an industrial dispute in the context of it taking action to modernise and improve the efficiency of its waste collection operations and prevent ongoing budget overspends. The dispute is causing major inconvenience to the city's residents. In the course of the dispute, questions had arisen about the conduct of the Leader of the Council, and whether it constituted a breach of the Council's constitution and its Member Code of Conduct.

As you know at the heart of the Kerslake Review was the question of the Council's culture. Lord Kerslake was clear that the Council needed to understand and adopt the respective roles and responsibilities of members and officers which are appropriate to a modern Council. The Council committed to this in approving its improvement plans and a great deal of collaborative work around this has been done by members and officers since early 2015, with the support of the LGA. This set back is therefore very disappointing particularly given that in our most recent letter to you we were able to report positively on the progress the Council was continuing to make.


The Leader of the Council resigned his post on 11th September and his deputy, Cllr Ian Ward, is now interim Leader of the Council until a new Leader is elected. We await further information about the timetable for this election. However it would clearly be very beneficial for the leadership of the Council to be resolved and a permanent Chief Executive to be appointed as early as possible.

In our letter of 4th August we also reported on the serious risks facing the Council in relation to its financial position. These risks to the Council's budget remain significant and maintaining a relentless focus on achieving the 2017/18 revenue budget and preparing for the 2018/19 budget could prove to be an even greater challenge for the Council in the current circumstances.

In our last letter we recommended that the Improvement Panel should suspend its operation with the Vice Chair and Panel adviser maintaining contact with the Council. However, following the events of recent weeks the Council now faces a period of significant transition. A new Leader will be elected and in the coming months the Council hopes to appoint a permanent Chief Executive, and to make permanent appointments to other key senior manager roles, including the Corporate Director of Finance. At the same time the Council has recognised, as we explained in our previous letter, that it still has a great deal of 'catch up' work to do for the Council to function with fully effective corporate governance and major change programmes to modernise its key services over the next five years.

The Panel met recently with Cllr Ward and Stella Manzie, interim Chief Executive, to discuss the current situation. They agree that it will be helpful for the Improvement Panel to remain in place, providing advice and support to the Council until it can demonstrate that the changes in culture and governance still required are truly embedded. They both wish to work constructively with the Panel to enable it to evolve its role over the coming months to help provide stability and continuity while the Council addresses its most pressing priorities.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J R A Crabtree', written in a cursive style.

J R A Crabtree
Chair